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DIA and DOS review(s) completed.

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1. Strain between Gromyko and Lange--Herschel Johnson reports that the Mexican delegate to the Security Council, Castillo Najera, has recently detected "increasing strain" between Polish delegate Lange and Gromyko, and feels sure that Gromyko is "putting strong pressure" on Lange. Najera expressed friendship and sympathy for Lange but described him as "a complete Soviet stooge.

GENERAL

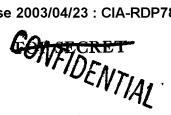
## EUROPE-AFRICA

- 2. USSR: No signs of war preparations--US Military Attache Moscow reports that there is nothing to indicate that the Soviets are making any unusual dispositions for possible offensive action. He points out that (a) demobilization is progressing according to plan: (b) military traffic between Moscow and Berlin is almost entirely in an eastward direction; and (c) oil refineries are not operating at full capacity, probably because of storage and transport difficulties.
- 3. IRAN: Soviets seek air control over Northern Iran--Ambassador Allen has been informed that the Iranian Cabinet is considering a Soviet request for an "exclusive commercial aviation concession" covering northern Iran and operated by a joint Soviet-Iranian corporation. Although each party would have 50% control, Allen's informant believes that Soviet interests would predominate and that the effect of the concession would be to exclude all non-Soviet commercial aviation from the area. Cavam is said to "lean towards granting the Soviet request."

Allen also reports that the Soviets apparently are exerting pressure on the Iranian Government to forbid flights over northern Iran by Iranian Airways planes manned by US crews. Allen believes that if the report of Soviet action is substantiated, the US should enter a vigorous protest, since silence would "be construed as acquiescence in the Soviet position that American commercial pilots cannot fly in northern Iran."

"Democrats" continue to dominate Azerbaijan--US Consul Tabriz reports that the recent agreement between Azerbaijan and the Central Covernment has neither reduced the power of the Democrats in Azerbaijan nor the number of disguised Soviet personnel in the province. Fe states

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that "unless drastic steps are taken" the Democrats will run the forthcoming elections, which may therefore be expected to be "an absolute farce."

- 4. POLAND: US protests intimidation of Embassy employees—The State Department has vigorously protested to the Polish Government against intimidation by Polish Security Police of Poles employed by the US Embassy (see Daily Summary of 29 April, item 8). The note characterizes the practice as "regrettable, inadmissable and highly improper" and requests that it be discontinued.
- 5. AUSTRIA: Need for US credits—Erhardt reports that (a) the Austrians are generally disillusioned with the Western Democracies because UNRRA aid has been inadequate, and (b) unless the US grants "substantial" credits, Austria may be forced to meet Soviet demands for a long-term trade agreement and the creation of joint Soviet-Austrian corporations for oil and Danubian shipping.
- 6. SWITZERLAND: Yugoslavia negotiates for arms machinery--Legation Bern reports that,

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a member of the Yugoslav Legation has approached the company (a) to purchase equipment to establish an Cerlikon gun factory in Yugoslavia; (b) to obtain experts, posing as "machine tools" specialists to help set up the plant; and (c) to pay with funds available in Argentina. (The Swiss recently decreed a six-month embargo on export of munitions of all types; see Daily Summary of 18 June, item 11.) The head of Cerlikon is reported to be reluctant to consummate the deal for fear of offending the US and UK.

- 7. FRANCE: De Gaulle returns to active politics—Caffery reports that
  (a) De Gaulle's re-entry into active politics is a "development of major importance"; (b) his prestige has steadily increased since last winter's "all-time low"; and (c) he has begun his campaign to obtain a Constitution providing for a strong President a position which "he hopes and expects to occupy."
- 8. THE NETHERLANDS: Catholic-Labor coalition in prospect--Embassy
  The Hague reports that the Catholic and Labor Farties have at last agreed

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"in principle" on a Governmental program, although announcement of the new coalition Cabinet will be delayed for "some days." The "apparent solution of the long impasse" is attributed to Beel's success in uniting his Catholic Party in support of a progressive program (see Daily Summary of 19 June, item 8) and a Labor Party concession on Cabinet personalities.

## FAR EAST

- 9. CHINA: Status of Manchurian truce--According to US Military Attache Nanking, the temporary truce agreement concerning Manchuria has been maintained fairly well in spite of accusations to the contrary.
- 10. SIAM: French preparing for military action—US Consul Saigon has been told by the French Political Advisor that (a) French officials believe the question of the disputed Siamese border territories is becoming a military issue and (b) the military are "definitely" preparing to move into those territories after the rains end.

British troops withdrawn--On 20 June the Foreign Minister informed Charge Yost that all British troops have now been withdrawn from South Siam (see Daily Summary of 20 June, item 9).